

Medical Assistance Services

DIVISION SUMMARY:	FY 2006 Total Appr	FY 2006 Actual	FY 2007 Total Appr	FY 2008 Request	FY 2008 Gov Rec	FY 2008 Approp
BY PROGRAM						
Medicaid Admin & Medical Mgmt	1,160,268,200	1,156,638,400	56,719,900	64,695,200	64,384,000	54,032,600
Dual Eligible Individuals	0	0	191,532,200	206,728,400	206,728,400	205,563,500
Individuals with Disabilities	0	0	519,824,800	561,466,700	561,466,700	559,247,800
Low-Income Children & Adults	0	0	442,658,700	478,104,500	478,104,500	474,854,100
Total:	1,160,268,200	1,156,638,400	1,210,735,600	1,310,994,800	1,310,683,600	1,293,698,000
BY FUND SOURCE						
General	331,277,000	323,764,800	351,357,200	382,303,400	382,138,800	376,384,400
Dedicated	73,547,000	83,128,500	81,754,700	88,079,800	87,961,300	90,961,200
Federal	755,444,200	749,745,100	777,623,700	840,611,600	840,583,500	826,352,400
Total:	1,160,268,200	1,156,638,400	1,210,735,600	1,310,994,800	1,310,683,600	1,293,698,000
Percent Change:		(0.3%)	4.7%	8.3%	8.3%	6.9%
BY EXPENDITURE CLASSIFICATION						
Personnel Costs	17,768,500	16,297,800	17,939,600	18,370,600	18,631,900	17,847,600
Operating Expenditures	19,036,600	24,153,700	34,910,500	43,020,700	42,507,300	32,940,200
Capital Outlay	0	177,100	920,200	300,900	295,200	295,200
Trustee/Benefit	1,123,463,100	1,116,009,800	1,156,965,300	1,249,302,600	1,249,249,200	1,242,615,000
Total:	1,160,268,200	1,156,638,400	1,210,735,600	1,310,994,800	1,310,683,600	1,293,698,000
Full-Time Positions (FTP)	271.00	262.00	287.50	279.50	278.50	278.50

	FTP	Gen	Ded	Fed	Total
FY 2007 Original Appropriation	287.50	357,268,900	81,754,700	807,638,900	1,246,662,500
Reappropriations	0.00	6,595,000	0	0	6,595,000
Supplementals	0.00	1,154,700	0	1,861,300	3,016,000
Rescissions	0.00	(13,661,400)	0	(31,876,500)	(45,537,900)
FY 2007 Total Appropriation	287.50	351,357,200	81,754,700	777,623,700	1,210,735,600
Non-Cognizable Funds and Transfers	(9.00)	(310,100)	(65,400)	(245,300)	(620,800)
FY 2007 Estimated Expenditures	278.50	351,047,100	81,689,300	777,378,400	1,210,114,800
Removal of One-Time Expenditures	(8.00)	(7,096,600)	(1,561,300)	(10,493,300)	(19,151,200)
Base Adjustments	0.00	(601,300)	0	0	(601,300)
FY 2008 Base	270.50	343,349,200	80,128,000	766,885,100	1,190,362,300
Benefit Costs	0.00	45,600	0	84,600	130,200
Inflationary Adjustments	0.00	2,500	2,000,000	2,500	2,005,000
Replacement Items	0.00	161,700	0	110,700	272,400
Change in Employee Compensation	0.00	287,800	0	479,000	766,800
Nondiscretionary Adjustments	0.00	32,352,700	7,833,200	51,278,200	91,464,100
FY 2008 Program Maintenance	270.50	376,199,500	89,961,200	818,840,100	1,285,000,800
Line Items	8.00	184,900	1,000,000	7,512,300	8,697,200
FY 2008 Total	278.50	376,384,400	90,961,200	826,352,400	1,293,698,000
% Chg from FY 2007 Orig Approp.	(3.1%)	5.4%	11.3%	2.3%	3.8%
% Chg from FY 2007 Total Approp.	(3.1%)	7.1%	11.3%	6.3%	6.9%

I. Medical Assistance Services: Medicaid Administration & Medical Mgmt

STARS Number & Budget Unit: 270 HWIA

Bill Number & Chapter: H322 (Ch.304), S1186 (Ch.118)

PROGRAM DESCRIPTION: Comprises all the expenditures to administer a comprehensive program of medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid (Title XIX), and CHIP (Title XXI). Administrative functions include managing provider payments, contracts with state agencies and universities for medical management, drug utilization reviews, individual assessments, and licensing and inspecting health facilities such as nursing homes, hospitals, and residential and assisted living facilities. Prior to FY 2007, all Medicaid expenditures were reported under the Medical Assistance Services Program. The program has been renamed Medicaid Administration & Medical Management.

PROGRAM SUMMARY:	FY 2006 Total Appr	FY 2006 Actual	FY 2007 Total Appr	FY 2008 Request	FY 2008 Gov Rec	FY 2008 Approp
BY FUND SOURCE						
General	331,277,000	323,764,800	14,992,700	16,415,900	16,251,300	14,481,600
Dedicated	73,547,000	83,128,500	3,233,300	6,861,400	6,742,900	3,606,600
Federal	755,444,200	749,745,100	38,493,900	41,417,900	41,389,800	35,944,400
Total:	1,160,268,200	1,156,638,400	56,719,900	64,695,200	64,384,000	54,032,600
Percent Change:		(0.3%)	(95.1%)	14.1%	13.5%	(4.7%)
BY EXPENDITURE CLASSIFICATION						
Personnel Costs	17,768,500	16,297,800	17,939,600	18,370,600	18,631,900	17,847,600
Operating Expenditures	19,036,600	24,153,700	34,910,500	43,020,700	42,507,300	32,940,200
Capital Outlay	0	177,100	920,200	300,900	295,200	295,200
Trustee/Benefit	1,123,463,100	1,116,009,800	2,949,600	3,003,000	2,949,600	2,949,600
Total:	1,160,268,200	1,156,638,400	56,719,900	64,695,200	64,384,000	54,032,600
Full-Time Positions (FTP)	271.00	262.00	287.50	279.50	278.50	278.50
DECISION UNIT SUMMARY:						
	FTP	General	Dedicated	Federal	Total	
FY 2007 Original Appropriation	287.50	13,838,000	3,233,300	36,632,600	53,703,900	
1. CMS Audit of State Medicaid Programs	0.00	853,100	0	(853,100)	0	
2. HIPAA National Provider ID	0.00	301,600	0	2,714,400	3,016,000	
FY 2007 Total Appropriation	287.50	14,992,700	3,233,300	38,493,900	56,719,900	
Transfers for Service Integration for 2007	(9.00)	(310,100)	(65,400)	(245,300)	(620,800)	
FY 2007 Estimated Expenditures	278.50	14,682,600	3,167,900	38,248,600	56,099,100	
Removal of One-Time Expenditures	(8.00)	(501,600)	(1,561,300)	(10,493,300)	(12,556,200)	
Base Adjustments	0.00	(601,300)	0	0	(601,300)	
FY 2008 Base	270.50	13,579,700	1,606,600	27,755,300	42,941,600	
Benefit Costs	0.00	45,600	0	84,600	130,200	
Inflationary Adjustments	0.00	2,500	2,000,000	2,500	2,005,000	
Replacement Items	0.00	161,700	0	110,700	272,400	
Change in Employee Compensation	0.00	287,800	0	479,000	766,800	
FY 2008 Maintenance (MCO)	270.50	14,077,300	3,606,600	28,432,100	46,116,000	
2. MMIS Repro curement	8.00	440,400	0	7,548,400	7,988,800	
37. Casualty Recovery-Add'l DAGs	0.00	(36,100)	0	(36,100)	(72,200)	
FY 2008 Total Appropriation	278.50	14,481,600	3,606,600	35,944,400	54,032,600	
% Change From FY 2007 Original Approp.	(3.1%)	4.7%	11.5%	(1.9%)	0.6%	
% Change From FY 2007 Total Approp.	(3.1%)	(3.4%)	11.5%	(6.6%)	(4.7%)	

SUPPLEMENTALS: S1186 provided \$853,100 to cover the changes in federal match rate for professional medical oversight in the Medicaid Administration and Medical Management Program. Federal auditors have determined that rather than a 25% General Fund - 75% federal match they will reimburse the state at a 50:50 match for certain medical management costs. It also provided an additional \$301,600 from the General Fund on a one-time basis to contract for programming changes to the Medicaid payment system to comply with Health Insurance Portability and Accountability Act (HIPAA). This act requires that the state give each Medicaid provider a unique identification number. These new numbers will be incorporated into the current MMIS system. This federal government is paying for 90% of the cost at \$2,714,400, for a total cost of \$3,016,000.

APPROPRIATION HIGHLIGHTS: Benefit costs were adjusted to restore one medical insurance premium holiday and seven life insurance premium holidays. JFAC also stipulated that increases in health insurance costs be paid from reserves. Inflationary adjustments were provided for contractual increases only. Replacement items included \$222,700 for 17 sedans at \$13,100 each with a federal match rate of 38%, and \$49,700 for 95 desktop computers at \$523 each with a federal match rate of 50%. The Change in Employee Compensation was funded at 5%.

Line item 2 provides funding for the Medicaid Management Information System (MMIS). The federal government pays 90% of these development costs. This is the second year of this funding. It is expected that development will take place over the next three years. Line item 37 reflects the savings estimated by the department for the four new positions established in the Office of the Attorney General for casualty recovery efforts.

LEGISLATIVE INTENT: REAPPROPRIATION OF THE COOPERATIVE WELFARE FUND - There is hereby reappropriated to the Department of Health and Welfare any unexpended and unencumbered balances in the Cooperative Welfare Fund as originally appropriated to the Medicaid Administration and Medical Management for fiscal year 2007, for the following purposes: to continue the market analysis of rates paid to developmental disability service providers as referred to in Section 56-118, Idaho Code, to continue to develop the Medicaid Management Information System (MMIS); and to continue the efforts of the Health Quality Planning Commission and the distribution of health technology grants for the period July 1, 2007, through June 30, 2008. The reappropriation shall be computed by the Department of Health and Welfare, and for budgeting purposes any General Fund portion of the balance in the Cooperative Welfare Fund shall be identified as part of the General Fund.

FY 2008 APPROPRIATION:	FTP	Pers. Cost	Oper Exp	Cap Out	T/B Pymnts	Lump Sum	Total
G 0220-03 CW - General	0.00	6,126,000	6,431,100	0	1,311,000	0	13,868,100
OT G 0220-03 CW - General	0.00	49,700	390,700	173,100	0	0	613,500
D 0173-00 Idaho Health Insuranc	0.00	70,800	152,000	0	0	0	222,800
D 0220-05 CW - Dedicated	267.50	0	3,383,800	0	0	0	3,383,800
F 0220-02 CW - Federal	3.00	11,154,000	15,481,300	0	1,638,600	0	28,273,900
OT F 0220-02 CW - Federal	0.00	447,100	7,101,300	122,100	0	0	7,670,500
Totals:	270.50	17,847,600	32,940,200	295,200	2,949,600	0	54,032,600

II. Medical Assistance Services: Dual Eligible Individuals

STARS Number & Budget Unit: 270 HWIB

Bill Number & Chapter: H322 (Ch.304), S1186 (Ch.118)

PROGRAM DESCRIPTION: Beneficiaries covered in this plan primarily consist of those who are age 65 and older. All individuals dually eligible for Medicaid and Medicare, regardless of age, may elect to receive coverage under this plan.

PROGRAM SUMMARY:	FY 2006 Total Appr	FY 2006 Actual	FY 2007 Total Appr	FY 2008 Request	FY 2008 Gov Rec	FY 2008 Approp
BY FUND SOURCE						
General	0	0	58,934,300	63,820,000	63,820,000	63,248,700
Dedicated	0	0	9,677,500	10,021,400	10,021,400	10,676,200
Federal	0	0	122,920,400	132,887,000	132,887,000	131,638,600
Total:	0	0	191,532,200	206,728,400	206,728,400	205,563,500
Percent Change:				7.9%	7.9%	7.3%
BY EXPENDITURE CLASSIFICATION						
Trustee/Benefit	0	0	191,532,200	206,728,400	206,728,400	205,563,500
DECISION UNIT SUMMARY:						
	FTP	General	Dedicated	Federal	Total	
FY 2007 Original Appropriation	0.00	60,256,900	9,677,500	127,987,900	197,922,300	
Reappropriations	0.00	948,100	0	0	948,100	
1. Return Savings Due to Caseload	0.00	(2,270,700)	0	(5,067,500)	(7,338,200)	
FY 2007 Total Appropriation	0.00	58,934,300	9,677,500	122,920,400	191,532,200	
Removal of One-Time Expenditures	0.00	(948,100)	0	0	(948,100)	
FY 2008 Base	0.00	57,986,200	9,677,500	122,920,400	190,584,100	
Nondiscretionary Adjustments	0.00	5,298,700	998,700	8,718,200	15,015,600	
FY 2008 Maintenance (MCO)	0.00	63,284,900	10,676,200	131,638,600	205,599,700	
35. Certified Medicaid Fraud Unit	0.00	(36,200)	0	0	(36,200)	
FY 2008 Total Appropriation	0.00	63,248,700	10,676,200	131,638,600	205,563,500	
% Change From FY 2007 Original Approp.		5.0%	10.3%	2.9%	3.9%	
% Change From FY 2007 Total Approp.		7.3%	10.3%	7.1%	7.3%	

RESCISSIONS: S1186 returned money to the State Treasury for FY2007. In total, \$13,661,400 was returned to the General Fund due to the lack of caseload growth in Medicaid. This caseload reduction occurred from June 2006 through December 2006 and represents approximately one-half of the expected caseload growth that was originally funded for FY2007. This bill also reduced the federal match by \$31.9 million, for a total reduction of \$45.5 million. This represents a 4% reduction in the FY2007 Medicaid appropriation. The Dual Eligible Individuals Program was reduced by \$7,338,200.

APPROPRIATION HIGHLIGHTS: Nondiscretionary adjustments include increases for caseload, pricing, utilization, and changes in federal matching rates. Line item 35 Medicaid Fraud Unit was funded in S1186, a trailer appropriation to H166 which created the unit.

OTHER LEGISLATION: HB 166 created a certified Medicaid Fraud Control Unit staffed in the Office of the Attorney General. Estimated savings were removed from Medicaid trustee and benefits to pay for the unit.

LEGISLATIVE INTENT: (1) REAPPROPRIATION OF THE COOPERATIVE WELFARE FUND - There is hereby reappropriated to the Department of Health and Welfare any unexpended and unencumbered balances in the Cooperative Welfare Fund as appropriated to the Dual Eligible Individuals Program, Individuals with Disabilities Program, and Low-Income Children and Working-Age Adults Program for provider payments for fiscal year 2007, to be used for trustee and benefit payments for the period July 1, 2007, through June 30, 2008. The reappropriation shall be computed by the Department of Health and Welfare, and for budgeting purposes any General Fund portion of the balance in the Cooperative Welfare Fund shall be identified as part of the General Fund.

(2) EXPENDITURES OF COLLECTED RECEIPTS - Notwithstanding the provisions of Section 67-3516(2), Idaho Code, the Department of Health and Welfare is hereby authorized to expend all receipts collected on behalf of the Dual Eligible Individuals Program, Individuals with Disabilities Program, and the Low-Income Children and Working-Age Adults Program, as noncognizable funds for the period July 1, 2007, through June 30, 2008.

(3) TRUSTEE AND BENEFIT PAYMENTS - Notwithstanding the provisions of Section 67-3511, Idaho Code, funding provided for provider payments in the trustee and benefit payments expenditure object code in the budgeted Medical Assistance Services may be transferred in excess of ten percent (10%) between the Dual Eligible Individuals Program, Individuals with Disabilities Program, and Low-Income Children and Working-Age Adults Program, but shall not be transferred to any other budgeted programs or objects within the Department of Health and Welfare during FY2008.

(4) COST-BENEFIT ANALYSIS - SUBSTANCE ABUSE TREATMENT - The Department of Health and Welfare is requested to perform a comprehensive cost-benefit analysis and feasibility review of any potential benefits of paying for residential and outpatient substance abuse treatment for Medicaid eligible clients from the Medicaid appropriation rather than from the state funded only portion of the Substance Abuse Services Program. The Department of Health and Welfare shall report the results of the review to the Health Care Task Force by November 1, 2007.

(5) STUDY PHARMACEUTICAL REBATES - The Department of Health and Welfare is requested to review current policies and procedures within Medicaid for identifying rebates for the state pharmaceutical purchasing plan, including the possibility of enhancing collection procedures for federally mandated and supplemental rebates from name brand and generic manufacturers.

FY 2008 APPROPRIATION:	<u>FTP</u>	<u>Pers. Cost</u>	<u>Oper Exp</u>	<u>Cap Out</u>	<u>T/B Pymnts</u>	<u>Lump Sum</u>	<u>Total</u>
G 0220-03 CW - General	0.00	0	0	0	63,248,700	0	63,248,700
D 0220-05 CW - Dedicated	0.00	0	0	0	10,676,200	0	10,676,200
F 0220-02 CW - Federal	0.00	0	0	0	131,638,600	0	131,638,600
Totals:	0.00	0	0	0	205,563,500	0	205,563,500

III. Medical Assistance Services: Individuals with Disabilities

STARS Number & Budget Unit: 270 HWIC

Bill Number & Chapter: H322 (Ch.304), S1186 (Ch.118)

PROGRAM DESCRIPTION: Medicaid eligible group primarily made up of children and adults (non-elderly) with disabilities or other individuals with special health needs, such as foster children. Individuals included in this plan may elect to remain in this plan after they turn 65 years old.

PROGRAM SUMMARY:	FY 2006 Total Appr	FY 2006 Actual	FY 2007 Total Appr	FY 2008 Request	FY 2008 Gov Rec	FY 2008 Approp
BY FUND SOURCE						
General	0	0	152,199,400	165,544,400	165,544,400	163,847,300
Dedicated	0	0	33,510,100	34,668,800	34,668,800	37,875,600
Federal	0	0	334,115,300	361,253,500	361,253,500	357,524,900
Total:	0	0	519,824,800	561,466,700	561,466,700	559,247,800
Percent Change:				8.0%	8.0%	7.6%
BY EXPENDITURE CLASSIFICATION						
Trustee/Benefit	0	0	519,824,800	561,466,700	561,466,700	559,247,800
DECISION UNIT SUMMARY:						
	FTP	General	Dedicated	Federal	Total	
FY 2007 Original Appropriation	0.00	157,220,900	33,510,100	348,389,300	539,120,300	
Reappropriations	0.00	1,100,900	0	0	1,100,900	
1. Return Savings Due to Caseload	0.00	(6,122,400)	0	(14,274,000)	(20,396,400)	
FY 2007 Total Appropriation	0.00	152,199,400	33,510,100	334,115,300	519,824,800	
Removal of One-Time Expenditures	0.00	(1,100,900)	0	0	(1,100,900)	
FY 2008 Base	0.00	151,098,500	33,510,100	334,115,300	518,723,900	
Nondiscretionary Adjustments	0.00	12,848,000	3,365,500	23,409,600	39,623,100	
FY 2008 Maintenance (MCO)	0.00	163,946,500	36,875,600	357,524,900	558,347,000	
35. Certified Medicaid Fraud Unit	0.00	(99,200)	0	0	(99,200)	
50. School-Based Services Match	0.00	0	1,000,000	0	1,000,000	
FY 2008 Total Appropriation	0.00	163,847,300	37,875,600	357,524,900	559,247,800	
% Change From FY 2007 Original Approp.		4.2%	13.0%	2.6%	3.7%	
% Change From FY 2007 Total Approp.		7.7%	13.0%	7.0%	7.6%	

RESCISSIONS: S1186 returned money to the State Treasury for FY2007. In total, \$13,661,400 was returned to the General Fund due to the lack of caseload growth in Medicaid. This caseload reduction occurred from June 2006 through December 2006 and represents approximately one-half of the expected caseload growth that was originally funded for FY2007. This bill also reduces the federal match by \$31.9 million, for a total reduction of \$45.5 million. This represents a 4% reduction in the FY2007 Medicaid appropriation. The Individuals with Disabilities Program was reduced by \$20,396,400.

APPROPRIATION HIGHLIGHTS: Nondiscretionary adjustments include increases for caseload increases, pricing, utilization, and changes in federal matching rates. Line item 35 Medicaid Fraud Unit was funded in S1186, a trailer appropriation to H166 which created the unit. Line item 50 provided state match for school based services by transferring \$1 million from the Public Education Stabilization Fund to the Health Care Trust Fund for the benefit of school districts.

OTHER LEGISLATION: H166 created a certified Medicaid Fraud Control Unit staffed in the Office of the Attorney General. Estimated savings were removed from Medicaid trustee and benefits to pay for the unit.

LEGISLATIVE INTENT: (1) REAPPROPRIATION OF THE COOPERATIVE WELFARE FUND - There is hereby reappropriated to the Department of Health and Welfare any unexpended and unencumbered balances in the Cooperative Welfare Fund as appropriated to the Dual Eligible Individuals Program, Individuals with Disabilities Program, and Low-Income Children and Working-Age Adults Program for provider payments for fiscal year 2007, to be used for trustee and benefit payments for the period July 1, 2007, through June 30, 2008. The reappropriation shall be computed by the Department of Health and Welfare, and for budgeting purposes any General Fund portion of the balance in the Cooperative Welfare Fund shall be identified as part of the General Fund.

(2) EXPENDITURES OF COLLECTED RECEIPTS - Notwithstanding the provisions of Section 67-3516(2), Idaho Code, the Department of Health and Welfare is hereby authorized to expend all receipts collected on behalf of the Dual Eligible Individuals Program, Individuals with Disabilities Program, and the Low-Income Children and Working-Age Adults Program, as noncognizable funds for the period July 1, 2007, through June 30, 2008.

(3) TRUSTEE AND BENEFIT PAYMENTS - Notwithstanding the provisions of Section 67-3511, Idaho Code, funding provided for provider payments in the trustee and benefit payments expenditure object code in the budgeted Medical Assistance Services may be transferred in excess of ten percent (10%) between the Dual Eligible Individuals Program, Individuals with Disabilities Program, and Low-Income Children and Working-Age Adults Program, but shall not be transferred to any other budgeted programs or objects within the Department of Health and Welfare during FY2008.

(4) COST-BENEFIT ANALYSIS - THERAPEUTIC CARE - The Department of Health and Welfare is requested to perform a comprehensive cost-benefit analysis and feasibility review of any potential benefits of paying for the therapeutic care portion of therapeutic foster care, residential, and group care programs from the Medicaid appropriation rather than from the state funded only Children's Mental Health Program. The Department of Health and Welfare shall report the results of the review to the Health Care Task Force by November 1, 2007.

(5) COST-BENEFIT ANALYSIS - SUBSTANCE ABUSE TREATMENT - The Department of Health and Welfare is requested to perform a comprehensive cost-benefit analysis and feasibility review of any potential benefits of paying for residential and outpatient substance abuse treatment for Medicaid eligible clients from the Medicaid appropriation rather than from the state funded only portion of the Substance Abuse Services Program. The Department of Health and Welfare shall report the results of the review to the Health Care Task Force by November 1, 2007.

(6) STUDY PHARMACEUTICAL REBATES - The Department of Health and Welfare is requested to review current policies and procedures within Medicaid for identifying rebates for the state pharmaceutical purchasing plan, including the possibility of enhancing collection procedures for federally mandated and supplemental rebates from name brand and generic manufacturers.

FY 2008 APPROPRIATION:	FTP	Pers. Cost	Oper Exp	Cap Out	T/B Pymnts	Lump Sum	Total
G 0220-03 CW - General	0.00	0	0	0	163,847,300	0	163,847,300
D 0173-00 Idaho Health Insuranc	0.00	0	0	0	893,500	0	893,500
D 0179-00 Medical Assistance	0.00	0	0	0	2,500	0	2,500
D 0220-05 CW - Dedicated	0.00	0	0	0	35,979,600	0	35,979,600
OT D 0481-01 Public School End Inc	0.00	0	0	0	1,000,000	0	1,000,000
F 0220-02 CW - Federal	0.00	0	0	0	357,524,900	0	357,524,900
Totals:	0.00	0	0	0	559,247,800	0	559,247,800

IV. Medical Assistance Services: Low-Income Children & Working-Age Adults

STARS Number & Budget Unit: 270 HWID

Bill Number & Chapter: H322 (Ch.304), S1186 (Ch.118)

PROGRAM DESCRIPTION: Medicaid eligible group primarily consisting of Pregnant Women and Children (PWC), Family Medicaid and Idaho's Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of health and disease.

PROGRAM SUMMARY:	FY 2006 Total Appr	FY 2006 Actual	FY 2007 Total Appr	FY 2008 Request	FY 2008 Gov Rec	FY 2008 Approp
BY FUND SOURCE						
General	0	0	125,230,800	136,523,100	136,523,100	134,806,800
Dedicated	0	0	35,333,800	36,528,200	36,528,200	38,802,800
Federal	0	0	282,094,100	305,053,200	305,053,200	301,244,500
Total:	0	0	442,658,700	478,104,500	478,104,500	474,854,100
Percent Change:				8.0%	8.0%	7.3%
BY EXPENDITURE CLASSIFICATION						
Trustee/Benefit	0	0	442,658,700	478,104,500	478,104,500	474,854,100
DECISION UNIT SUMMARY:						
	FTP	General	Dedicated	Federal	Total	
FY 2007 Original Appropriation	0.00	125,953,100	35,333,800	294,629,100	455,916,000	
Reappropriations	0.00	4,546,000	0	0	4,546,000	
1. Return Savings Due to Caseload	0.00	(5,268,300)	0	(12,535,000)	(17,803,300)	
FY 2007 Total Appropriation	0.00	125,230,800	35,333,800	282,094,100	442,658,700	
Removal of One-Time Expenditures	0.00	(4,546,000)	0	0	(4,546,000)	
FY 2008 Base	0.00	120,684,800	35,333,800	282,094,100	438,112,700	
Nondiscretionary Adjustments	0.00	14,206,000	3,469,000	19,150,400	36,825,400	
FY 2008 Maintenance (MCO)	0.00	134,890,800	38,802,800	301,244,500	474,938,100	
35. Certified Medicaid Fraud Unit	0.00	(84,000)	0	0	(84,000)	
FY 2008 Total Appropriation	0.00	134,806,800	38,802,800	301,244,500	474,854,100	
% Change From FY 2007 Original Approp.		7.0%	9.8%	2.2%	4.2%	
% Change From FY 2007 Total Approp.		7.6%	9.8%	6.8%	7.3%	

RESCISSIONS: S1186 returned money to the State Treasury for FY2007. In total, \$13,661,400 was returned to the General Fund due to the lack of caseload growth in Medicaid. This caseload reduction occurred from June 2006 through December 2006 and represents approximately one-half of the expected caseload growth that was originally funded for FY2007. This bill also reduces the federal match by \$31.9 million, for a total reduction of \$45.5 million. This represents a 4% reduction in the FY2007 Medicaid appropriation. The Low-Income Children and Working-Age Adults Program was reduced by \$17,803,300.

APPROPRIATION HIGHLIGHTS: Nondiscretionary adjustments include increases for caseload increases, pricing, utilization, and changes in federal matching rates. Line item 35 Medicaid Fraud Unit was funded in S1186, a trailer appropriation to H166 which created the unit.

OTHER LEGISLATION: H166 created a certified Medicaid Fraud Control Unit staffed in the Office of the Attorney General. Estimated savings were removed from Medicaid trustee and benefits to pay for the unit.

LEGISLATIVE INTENT: (1) REAPPROPRIATION OF THE COOPERATIVE WELFARE FUND - There is hereby reappropriated to the Department of Health and Welfare any unexpended and unencumbered balances in the Cooperative Welfare Fund as appropriated to the Dual Eligible Individuals Program, Individuals with Disabilities Program, and Low-Income Children and Working-Age Adults Program for provider payments for fiscal year 2007, to be used for trustee and benefit payments for the period July 1, 2007, through June 30, 2008. The reappropriation shall be computed by the Department of Health and Welfare, and for budgeting purposes any General Fund portion of the balance in the Cooperative Welfare Fund shall be identified as part of the General Fund.

(2) EXPENDITURES OF COLLECTED RECEIPTS - Notwithstanding the provisions of Section 67-3516(2), Idaho Code, the Department of Health and Welfare is hereby authorized to expend all receipts collected on behalf of the Dual Eligible Individuals Program, Individuals with Disabilities Program, and the Low-Income Children and Working-Age Adults Program, as noncognizable funds for the period July 1, 2007, through June 30, 2008.

(3) TRUSTEE AND BENEFIT PAYMENTS - Notwithstanding the provisions of Section 67-3511, Idaho Code, funding provided for provider payments in the trustee and benefit payments expenditure object code in the budgeted Medical Assistance Services may be transferred in excess of ten percent (10%) between the Dual Eligible Individuals Program, Individuals with Disabilities Program, and Low-Income Children and Working-Age Adults Program, but shall not be transferred to any other budgeted programs or objects within the Department of Health and Welfare during FY2008.

(4) COST-BENEFIT ANALYSIS - THERAPEUTIC CARE - The Department of Health and Welfare is requested to perform a comprehensive cost-benefit analysis and feasibility review of any potential benefits of paying for the therapeutic care portion of therapeutic foster care, residential, and group care programs from the Medicaid appropriation rather than from the state funded only Children's Mental Health Program. The Department of Health and Welfare shall report the results of the review to the Health Care Task Force by November 1, 2007.

(5) COST-BENEFIT ANALYSIS - SUBSTANCE ABUSE TREATMENT - The Department of Health and Welfare is requested to perform a comprehensive cost-benefit analysis and feasibility review of any potential benefits of paying for residential and outpatient substance

abuse treatment for Medicaid eligible clients from the Medicaid appropriation rather than from the state funded only portion of the Substance Abuse Services Program. The Department of Health and Welfare shall report the results of the review to the Health Care Task Force by November 1, 2007.

(6) STUDY PHARMACEUTICAL REBATES - The Department of Health and Welfare is requested to review current policies and procedures within Medicaid for identifying rebates for the state pharmaceutical purchasing plan, including the possibility of enhancing collection procedures for federally mandated and supplemental rebates from name brand and generic manufacturers.

FY 2008 APPROPRIATION:	FTP	Pers. Cost	Oper Exp	Cap Out	T/B Pymnts	Lump Sum	Total
G 0220-03 CW - General	0.00	0	0	0	134,806,800	0	134,806,800
D 0173-00 Idaho Health Insuranc	0.00	0	0	0	1,717,400	0	1,717,400
D 0220-05 CW - Dedicated	0.00	0	0	0	37,085,400	0	37,085,400
F 0220-02 CW - Federal	0.00	0	0	0	301,244,500	0	301,244,500
Totals:	0.00	0	0	0	474,854,100	0	474,854,100